



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-86]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 20-86 with attached Policy Justification and Sensitivity of Technology.

Dated: December 17, 2020.

Kayyonne T. Marston,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

December 1, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 20-86 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Republic of Korea for defense articles and services estimated to cost \$39 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "Heidi H. Grant", is positioned below the word "Sincerely,".

Heidi H. Grant
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Republic of Korea

(ii) Total Estimated Value:

Major Defense Equipment*	\$30 million
Other	<u>\$ 9 million</u>
TOTAL	\$39 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Two (2) MK 15 MOD 25 Phalanx Close-In Weapons System (CIWS) Block 1B
Baseline 2 (1B2) Systems
Four thousand (4,000) Rounds, 20MM Cartridge API Linked

Non-MDE:

Also included are spare parts; other support equipment; ammunition; books and other publications; software; training; engineering technical assistance and other technical assistance; and other related elements of program and logistical support.

(iv) Military Department: Navy (KS-P-LRH)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **December 1, 2020**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Republic of Korea – MK 15 MOD 25 Phalanx Close-In Weapons System (CIWS) Block 1B Baseline 2 (1B2) System

The Republic of Korea has requested to buy two (2) MK 15 MOD 25 Phalanx Close-In Weapons System (CIWS) Block 1B Baseline 2 (1B2) systems; and four thousand (4,000) rounds, 20MM cartridge API linked. Also included are spare parts; other support equipment; ammunition; books and other publications; software; training; engineering technical assistance and other technical assistance; and other related elements of program and logistical support. The estimated total cost is \$39 million.

This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a Major Non-NATO Ally that is a force for political stability and economic progress in the Pacific region.

The proposed sale will improve the Republic of Korea's capability to meet current and future threats. Korea will use the systems aboard its first KDX III Batch II Class ship to provide it with effective means of detecting and defending itself against incoming airborne threats. The Republic of Korea will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Raytheon Missile and Defense, Louisville, KY. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the Republic of Korea. However, U.S. Government or contractor personnel in-country visits will be required on a temporary basis in conjunction with program technical oversight and support requirements, including multiple trips by U.S. Government and contractor representatives to participate in program and technical reviews, as well as to provide training and maintenance support in country, as required.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The MK 15 MOD 25 Phalanx Close-In Weapon System (CIWS) consists of a rapid-fire computer-controlled radar and gun system mounted on a turret designed to defeat anti-ship missiles; small surface craft; low, slow aircraft; rockets and mortars. The weapons system carries out search, detection, target threat evaluation, tracking, firing and kill loop fire control that uses advanced radar and computer technology to locate, identify and direct a system of armor piercing projectiles to the target. The Phalanx Block IB Baseline 2 (1B2) Radar Upgrade Kits converted the system's radar from an analog to digital suite, and in doing so addressed significant hardware obsolescence.
2. The highest level of classification of defense articles, components, and services included in this potential sale is CONFIDENTIAL.
3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that the Republic of Korea can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
5. All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.